



NEW YORK CITY COMPTROLLER
SCOTT M. STRINGER

Bureau of Budget

Q1 FY2020

July - September 2019

Quarterly Cash Report

December 2019

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Summary

Cash Balances¹

The City began 1Q20 with \$7.110 billion in cash-on-hand, \$2.284 billion lower than in 1Q19. Total receipts in the quarter rose 5.4%, while expenditures increased 5.1%. Overall, cash expenditures exceeded cash receipts by \$1.039 billion in 1Q20. By the end of the quarter, the cash balance stood at \$6.071 billion, the lowest 1Q ending cash balance since 1Q14. The average cash balance in 1Q20 measured \$7.156 billion compared to \$8.963 billion in 1Q19.

Cash Receipts

Cash receipts totaled \$25.781 billion in 1Q20, averaging \$403 million a day. During the same period last year, cash receipts totaled \$24.456 billion and averaged \$388 million a day. Net of reimbursements for CapEx, cash receipts stayed flat. In 1Q20, capital transfers added \$3.349 billion to the Central Treasury, versus \$2.026 billion in 1Q19.

The cash receipts figure includes the retention of real property and personal income tax revenues for GO and TFA PIT debt service payments. Debt service funding is recorded as a negative inflow (rather than a positive expense). In 1Q20, debt service funding decreased total cash revenue by \$819 million compared to \$486 million during the same period last year.

Total tax receipts measured \$15.340 billion, up 15.6% compared to the same period last year. Real property tax, the City's largest source of tax revenue, was up 19.6%. 4Q19 ended on June 28, 2019, a day earlier than last year, and as a result, some real property tax receipts due by July 1st were received and counted in the July total. Personal income tax grew 10.3% and sales tax increased 7.3%. Overall, tax revenue accounted for 59.5% of total cash receipts in 1Q20.

The combined 1Q20 total of Federal and State aid amounted to \$4.3 billion compared to \$5.9 billion during the same period last year. Last year, the City benefited from large "prior year" federal welfare and education aid receipts.

Cash Expenditures

Cash expenditures, including capital, totaled \$26.820 billion in 1Q20, averaging \$419 million a day. During the same period last year, cash expenditures totaled \$25.529 billion and averaged \$405 million a day. Personal service (PS) expenditures were up 4.7% compared to last year. Payroll increased 3.4%, while other personal services—primarily pensions and other fringe benefits—rose 7%. Other-than-personal-service (OTPS) expenditures rose 8.1% versus a year ago. In the OTPS category, public assistance increased 7.5% and vendor and other rose 10%, while other social services jumped 17.1%. When the impact of CapEx is removed, 1Q20 net expenditures reflect a gain of 4.6% versus a year ago.

¹ The data in this report are based on the book balances in the New York City Central Treasury as calculated by the Bureau of Budget, Office of the New York City Comptroller. Receipts are reported based on cash receipts and the analysis of bank deposits. Expenditures are reported according to warrants issued.

Capital Expenditures (CapEx)²

CapEx totaled \$2.662 billion in 1Q20, up 6.6% from \$2.497 billion in 1Q19. City-funded CapEx increased 10.3% while Non-City-funded CapEx dropped 22.4%.

Reimbursements exceeded eligible CapEx during 1Q20, resulting in a gain of \$862 million to the Central Treasury. As a quarterly metric, the CapEx reimbursement rate is a volatile statistic. However, over the long-term, CapEx and the related reimbursements offset each other. Over the past ten 1Q periods, the reimbursement rate has averaged 111.7%.

Financings

In FY20, the City plans to issue \$7.3 billion in GO, TFA FTS, and TFA BARBs bonds for new money capital purposes. In comparison, in FY19 the City sold \$6.2 billion in new money debt across the three credits.

During 1Q20, the City closed two bond sales. The first transaction was a new money sale of \$1.4 billion of GO bonds. The GO sale was comprised of \$800 million of tax-exempt fixed rate bonds and \$600 million of taxable fixed rate bonds.

The second transaction was a new money sale of \$1.4 billion of TFA FTS bonds. The TFA FTS sale included \$850 million of tax-exempt fixed rate bonds and \$500 million of taxable fixed rate bonds.

Notes

In this report, tax receipts, with the exception of personal income tax, are gross of refunds. Real property tax and personal income tax are gross of any debt service funding.

Note that totals may not equal sum of components due to rounding.

² City-funded capital expenditures are primarily financed from the proceeds of General Obligation (GO), New York City Transitional Finance Authority (TFA), and New York City Municipal Water Finance Authority (NY Water) debt. Capital expenditures are initially paid from the General Fund and then reimbursed from various capital accounts and State sources.

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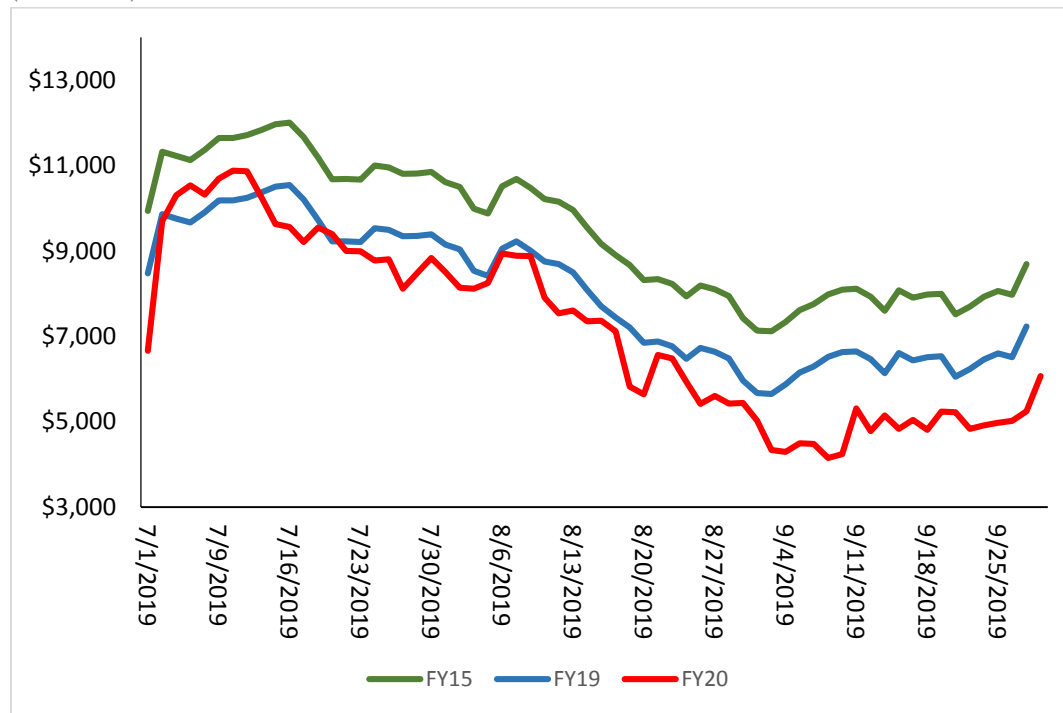
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Cash Balances

Chart 1. Daily Cash Balances in the NYC Central Treasury, 1Q15, 1Q19, and 1Q20

(\$ in millions)



The City began 1Q20 with \$7.110 billion in cash-on-hand, \$2.284 billion lower than in 1Q19. Total receipts in the quarter rose 5.4%, while expenditures increased 5.1%. Overall, cash expenditures exceeded cash receipts by \$1.039 billion in 1Q20. By the end of the quarter, the cash balance stood at \$6.071 billion, the lowest 1Q ending cash balance since 1Q14. The average cash balance in 1Q20 measured \$7.156 billion compared to \$8.963 billion in 1Q19.

Table 1. Cash Position in the NYC Central Treasury, 1Q, FY11 – FY20

(\$ in millions)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Opening Balance ^a	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719	\$9,341	\$9,394	\$7,110
Total Receipts	19,911	19,315	19,023	19,361	19,904	23,006	22,048	21,513	24,456	25,781
Total Expenditures ^b	19,165	19,221	19,085	21,531	20,750	23,017	23,349	23,962	25,590	26,820
Closing Balance	\$5,350	\$5,135	\$6,235	\$5,773	\$9,011	\$9,491	\$10,418	\$6,893	\$8,260	\$6,071
Avg. Daily Balance	\$4,628	\$5,843	\$6,397	\$7,274	\$9,442	\$10,046	\$10,377	\$8,883	\$8,963	\$7,156

a. Opening balances are before City audits.

b. Total expenditures include capital expenditures.

Cash Receipts

Receipts at a Glance

Table 2. Cash Receipts by Category, 1Q, FY11 – FY20

(\$ in millions)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Real Property Tax	\$4,638	\$5,154	\$4,785	\$5,573	\$5,412	\$5,587	\$5,950	\$5,400	\$6,400	\$7,656
Other Taxes	5,191	5,543	5,681	6,050	6,595	6,865	6,696	6,826	6,866	7,684
<i>Total Taxes</i>	<i>9,829</i>	<i>10,697</i>	<i>10,466</i>	<i>11,623</i>	<i>12,007</i>	<i>12,452</i>	<i>12,646</i>	<i>12,226</i>	<i>13,266</i>	<i>15,340</i>
Debt Service Funding	(108)	0	(1,005)	(891)	(1,683)	470	(638)	(905)	(486)	(819)
Federal and State Aid	4,270	3,890	4,188	3,951	4,633	4,256	3,683	3,359	5,927	4,321
Miscellaneous	1,628	1,734	1,669	1,493	1,549	2,027	1,802	2,016	2,204	2,059
Intergovernmental Aid	0	0	0	0	0	0	2	0	0	0
Other	3,842	2,994	3,705	3,185	3,398	3,801	4,553	4,817	3,545	4,880
Total	\$19,911	\$19,315	\$19,023	\$19,361	\$19,904	\$23,006	\$22,048	\$21,513	\$24,456	\$25,781
Total, Net of Reimbursement for CapEx	\$17,027	\$17,432	\$16,398	\$17,660	\$18,258	\$21,081	\$19,217	\$18,601	\$22,430	\$22,431

Cash receipts totaled \$25.781 billion in 1Q20, averaging \$403 million a day. During the same period last year, cash receipts totaled \$24.456 billion and averaged \$388 million a day. Net of reimbursements for CapEx, cash receipts stayed flat. In 1Q20, capital transfers added \$3.349 billion to the Central Treasury, vs. \$2.026 billion in 1Q19.

The cash receipts figure includes the retention of real property and personal income tax revenues for GO and TFA PIT debt service payments. Debt service funding is recorded as a negative inflow (rather than a positive expense). In 1Q20, debt service funding decreased total cash revenue by \$819 million compared to \$486 million during the same period last year.

Taxes³

Table 3. Tax Receipts, 1Q15, 1Q19, and 1Q20

(\$ in millions)	1Q15	1Q19	1Q20	% Change 1Q20/1Q15	% Change 1Q20/1Q19
Real Property Tax	\$5,412	\$6,400	\$7,656	41.5%	19.6%
Personal Income Tax	2,026	2,591	2,857	41.0	10.3
Sales Tax	1,482	1,583	1,699	14.6	7.3
General Corporation Tax	718	970	1,347	87.6	38.9
Mortgage and Real Property Transfer Taxes	690	671	656	(4.9)	(2.2)
Unincorporated Business Tax	506	407	458	(9.5)	12.5
Commercial Rent Tax	216	251	294	36.1	17.1
Hotel Occupancy Tax	129	157	163	26.4	3.8
Utility Tax	95	96	95	0.0	(1.0)
All Other Taxes	733	140	115	(84.3)	(17.9)
Total	\$12,007	\$13,266	\$15,340	27.8%	15.6%

³ In this report, tax receipts, with the exception of personal income tax, are gross of refunds. Real property tax and personal income tax are gross of debt service funding.

Total tax receipts measured \$15.340 billion, up 15.6% compared to the same period last year. Real property tax, the City's largest source of tax revenue, was up 19.6%. %. 4Q19 ended on June 28, 2019, a day earlier than last year, and as a result, some real property tax receipts due by July 1st were received and counted in the July total. Personal income tax grew 10.3% and sales tax increased 7.3%. Overall, tax revenue accounted for 59.5% of total cash receipts in 1Q20.

Table 4. Selected Cash Receipts, 1Q, FY16 – FY20

(\$ in millions)	FY16	FY17	FY18	FY19	FY20
Real Property Tax	\$5,587	\$5,950	\$5,400	\$6,400	\$7,656
Personal Income Tax	2,236	2,249	2,418	2,591	2,857
NYS Education Aid	1,364	1,359	1,396	1,898	1,798
Sales Tax	1,559	1,411	1,486	1,583	1,699
General Corporation Tax	900	1,058	902	970	1,347
NYS Higher Education Aid	0	0	0	856	925
Water and Sewer Charges	830	894	871	814	797
Mortgage and Real Property Transfer Taxes	740	718	638	671	656
Unincorporated Business Tax	471	479	506	407	458
Federal Education	327	169	348	532	390
Federal Welfare	1,141	922	506	1,423	388
Fines and Forfeitures	281	238	250	280	316
Commercial Rent Tax	216	208	244	251	294
NYS Welfare	441	443	213	321	219
Hotel Occupancy Tax	150	141	147	157	163

Federal and State Aid

Chart 2. Federal & State Aid to NYC, 1Q, FY16 – FY20

(\$ in billions)

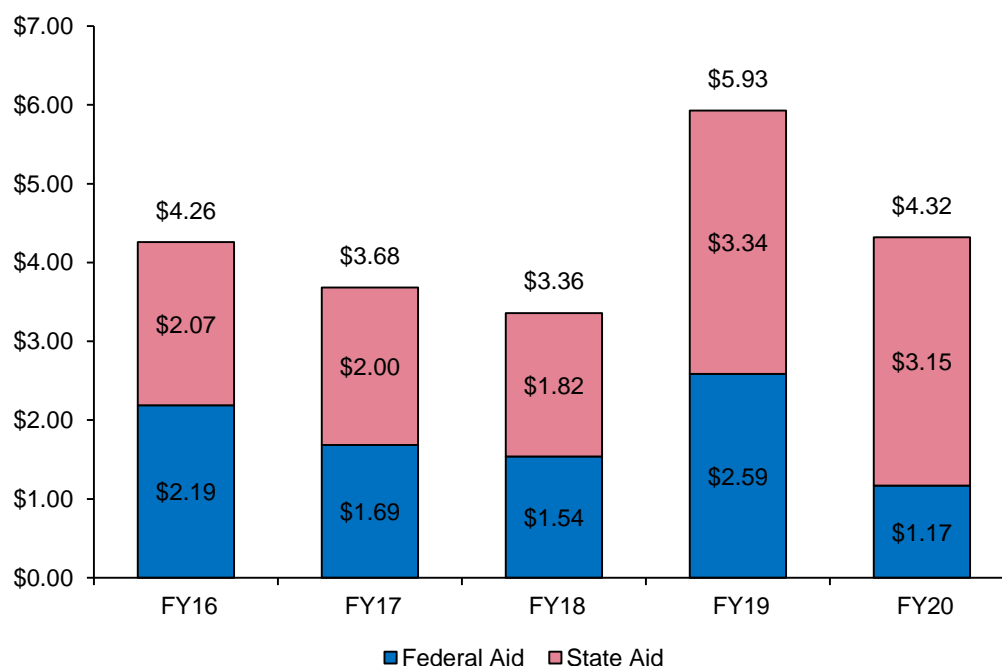


Chart 3. Federal & State Aid as % of Total Receipts, 1Q, FY16 – FY20

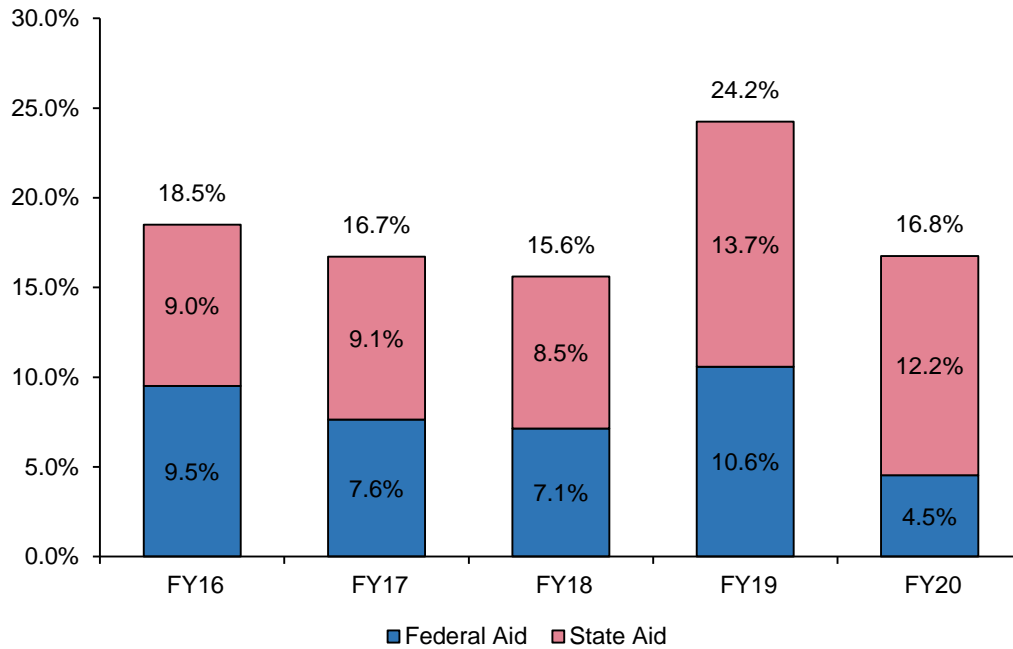


Chart 4. Components of State Aid, 1Q, FY16 – FY20

(\$ in billions)

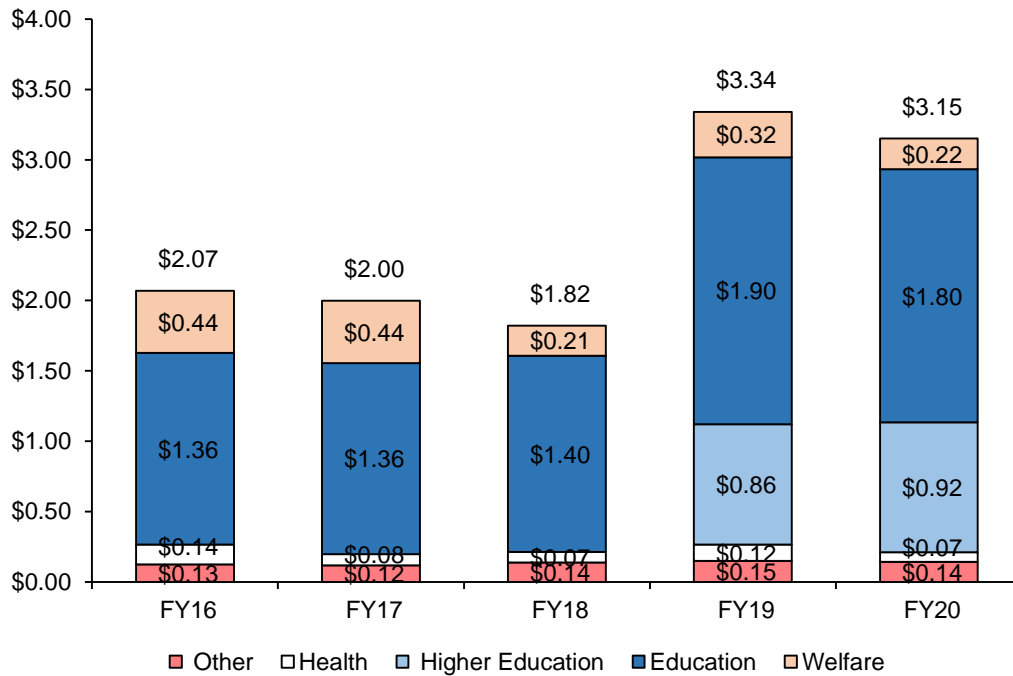
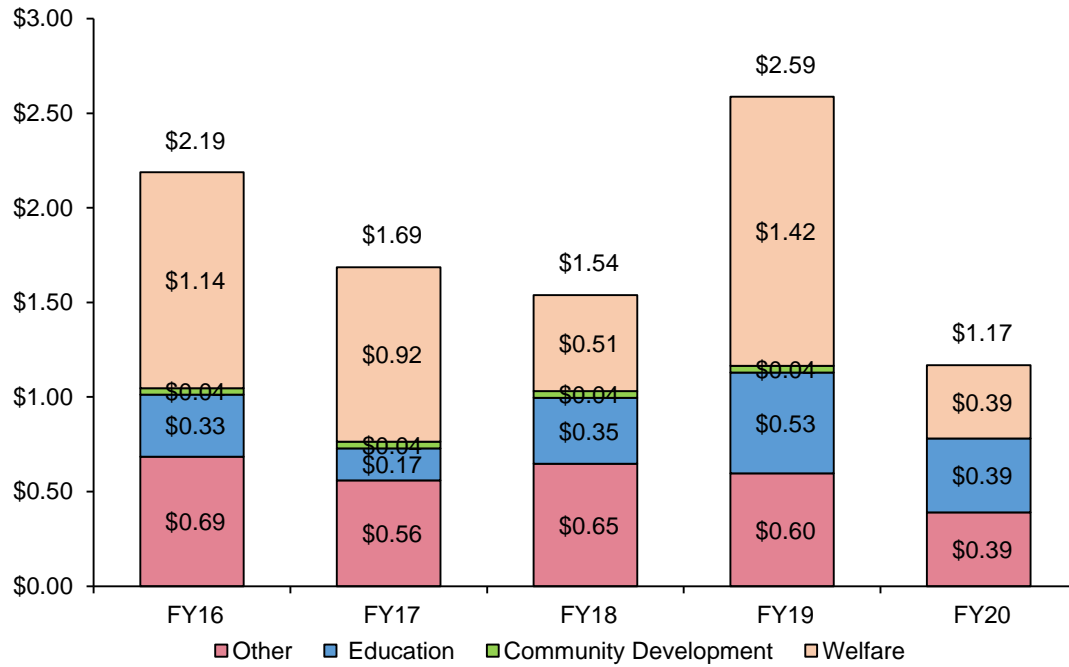


Chart 5. Components of Federal Aid, 1Q, FY16 – FY20

(\$ in billions)



The combined 1Q20 total of Federal and State aid amounted to \$4.3 billion compared to \$5.9 billion during the same period last year. Last year the City benefited from large “prior year” federal welfare and education aid receipts.

Cash Expenditures (Including Capital)

Cash Expenditures at a Glance

Table 5. PS & OTPS, 1Q, FY11 – FY20

(\$ in millions)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Gross Payroll	\$5,967	\$6,176	\$6,059	\$6,134	\$6,425	\$7,036	\$7,106	\$7,157	\$7,323	\$7,572
Other Personal Services	3,208	3,292	3,366	3,660	3,896	3,956	4,279	4,207	4,361	4,665
Total PS	\$9,175	\$9,468	\$9,425	\$9,794	\$10,321	\$10,992	\$11,385	\$11,364	\$11,684	\$12,237
% of 1Q Total Exp	48%	49%	49%	46%	50%	48%	49%	47%	46%	46%
# of Bi-weekly Payrolls	6	7	7	7	7	7	7	6	6	6
Public Assistance	653	632	581	640	649	706	771	950	1,060	1,140
Medical Assistance	1,181	1,650	1,622	1,377	1,353	1,452	1,368	1,187	1,523	1,454
Other Social Services	655	561	639	652	625	663	697	713	815	954
Vendor and Other	3,820	4,034	3,816	4,525	5,036	5,128	5,707	5,383	6,326	6,959
Total OTPS	\$6,309	\$6,877	\$6,658	\$7,194	\$7,663	\$7,949	\$8,543	\$8,233	\$9,724	\$10,507
% of 1Q Total Exp	33%	36%	35%	33%	37%	34%	37%	35%	38%	39%
All Other	\$3,681	\$2,876	\$3,002	\$4,543	\$2,766	\$4,076	\$3,421	\$4,365	\$4,183	\$4,076
% of Total 1Q Exp	19%	15%	16%	21%	13%	18%	14%	18%	16%	15%
Total Expenditures	\$19,165	\$19,221	\$19,085	\$21,531	\$20,750	\$23,017	\$23,349	\$23,962	\$25,591	\$26,820
Total Expenditures, Net of CapEx	\$16,268	\$17,344	\$16,936	\$19,158	\$18,730	\$20,946	\$21,055	\$21,615	\$23,094	\$24,158

Cash expenditures, including capital, totaled \$26.820 billion in 1Q20, averaging \$419 million a day. During the same period last year, cash expenditures totaled \$25.529 billion and averaged \$405 million a day. Personal service (PS) expenditures were up 4.7% compared to last year. Payroll increased 3.4%, while other personal services—primarily pensions and other fringe benefits—rose 7%. Other-than-personal-service (OTPS) expenditures rose 8.1% versus a year ago. In the OTPS category, public assistance increased 7.5% and vendor and other rose 10%, while other social services jumped 17.1%. When the impact of CapEx is removed, 1Q20 net expenditures reflect a gain of 4.6% versus a year ago.

“All Other” Spending

Table 6. Major Components of “All Other” Spending, 1Q19 and 1Q20

(\$ in millions)	1Q19	1Q20	Difference
Transit Authority	\$316	\$266	(\$50)
Housing Authority	14	61	47
Lump Sum Payments	829	902	73
NYC H+H	163	203	40
Refunds	325	179	(146)
City-Funded Capital	2,216	2,444	228
Non-City-Funded Capital	281	218	(63)
Fund 700 Adjustment	34	(200)	(234)

Capital Expenditures

City-funded capital expenditures are primarily financed from the proceeds of General Obligation (GO), New York City Transitional Finance Authority (TFA), and New York City Municipal Water Finance Authority (NY Water) debt. Beginning in 2Q07, Non-City-funded capital expenditures for education were financed by TFA Building Aid bonds. Capital expenditures are initially paid from the New York City Central Treasury and then reimbursed from various capital accounts and State sources.

Chart 6. Total CapEx and City-Funded CapEx, 1Q, FY11 – FY20

(\$ in millions)

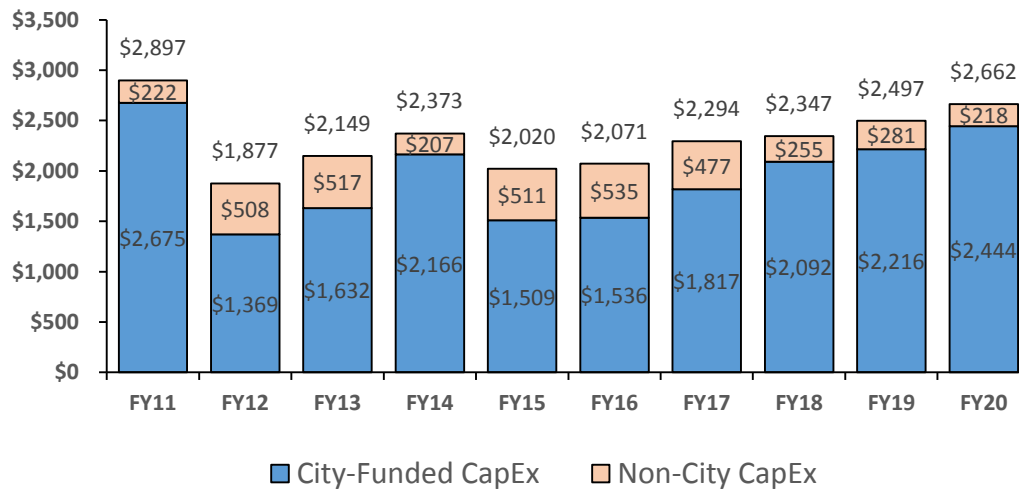
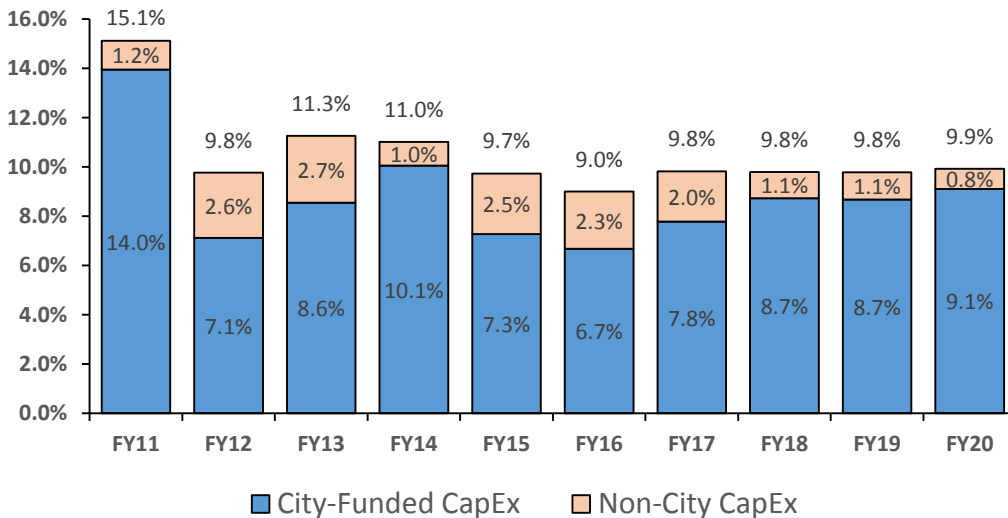


Chart 7. Total CapEx as % of Total Expenditures, 1Q, FY11 – FY20



CapEx totaled \$2.662 billion in 1Q20, up 6.6% from \$2.497 billion in 1Q19. City-funded CapEx increased 10.3% while Non-City-funded CapEx dropped 22.4%.

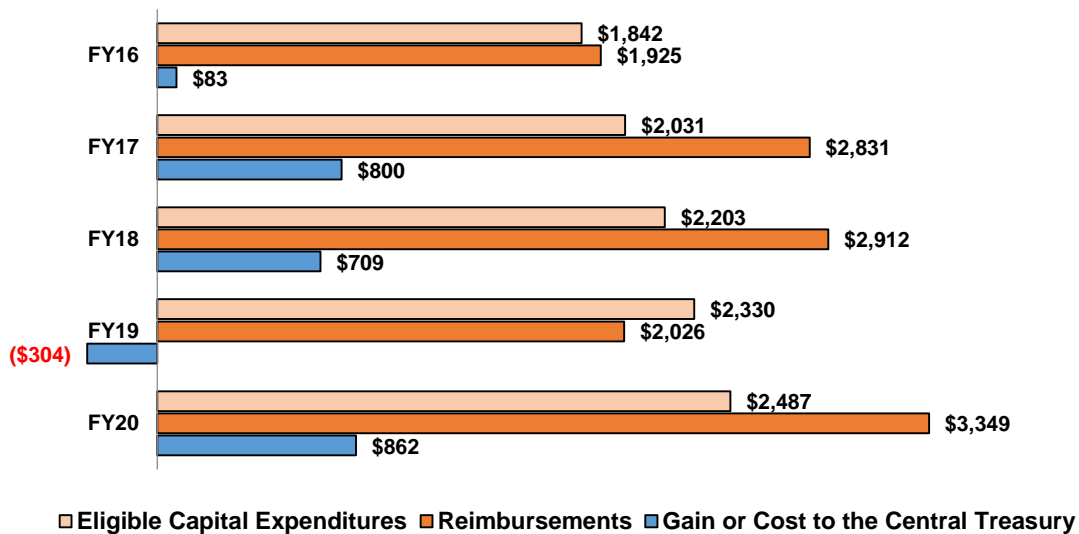
Table 7. Reimbursements to the NYC Central Treasury for CapEx, 1Q, FY11 – FY20

(\$ in millions)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
GO	\$759	\$456	\$295	\$471	\$333	\$562	\$1,288	\$0	\$38	\$1,501	\$5,703
NY Water	955	575	516	420	358	353	323	384	461	557	4,902
TFA	1,170	572	1,214	811	954	178	1,220	2,528	1,527	1,291	11,456
<i>Subtotal</i>	<i>2,884</i>	<i>1,603</i>	<i>2,025</i>	<i>1,702</i>	<i>1,645</i>	<i>1,093</i>	<i>2,831</i>	<i>2,912</i>	<i>2,026</i>	<i>3,349</i>	<i>22,070</i>
TFA Building Aid	0	280	598	0	0	832	0	0	0	0	1,710
Total	\$2,884	\$1,883	\$2,623	\$1,702	\$1,645	\$1,925	\$2,831	\$2,912	\$2,026	\$3,349	\$23,780
1Q Reimbursable Capital Expenditures	\$2,721	\$1,651	\$1,987	\$2,166	\$1,862	\$1,842	\$2,031	\$2,203	\$2,330	\$2,487	\$21,280
1Q Reimbursements Less 1Q Reimbursable Capital Expenditures	\$163	\$232	\$636	(\$464)	(\$217)	\$83	\$800	\$709	(\$304)	\$862	\$2,500
1Q Reimbursements as a % of 1Q Reimbursable Capital Expenditures	106.0%	114.1%	132.0%	78.6%	88.3%	104.5%	139.4%	132.2%	87.0%	134.7%	111.7%
1Q Reimbursements as a % of 1Q Total Receipts	14.5%	9.7%	13.8%	8.8%	8.3%	8.4%	12.8%	13.5%	8.3%	13.0%	11.1%

Reimbursements exceeded eligible CapEx during 1Q20, resulting in a gain of \$862 million to the Central Treasury. As a quarterly metric, the CapEx reimbursement rate is a volatile statistic. However, over the long-term, CapEx and the related reimbursements offset each other. Over the past ten 1Q periods, the reimbursement rate has averaged 111.7%.

Chart 8. Bond-Funded Reimbursements for Eligible CapEx, 1Q, FY16 – FY20

(\$ in millions)



Financings

In FY20, the City plans to issue \$7.3 billion in GO, TFA FTS, and TFA BARBs bonds for new money capital purposes. In comparison, in FY19 the City sold \$6.2 billion in new money debt across the three credits.

Table 8. FY20 Projected and 1Q20 Actual GO, TFA FTS, and TFA BARBs New Money Issuance

(\$ in millions)	Projected New Money Issuance	1Q20 New Money Issuance	Remaining New Money Issuance
GO	\$3,660	\$1,400	\$2,260
TFA FTS	\$3,350	\$1,350	\$2,000
TFA BARBs	\$250	\$0	\$250
Total	\$7,260	\$2,750	\$4,510

Projected bond issuance is based on the OMB's November 2019 Financial Plan.

During 1Q20, the City closed two bond sales. The first transaction was a new money sale of \$1.4 billion of GO bonds. The GO sale was comprised of \$800 million of tax-exempt fixed rate bonds and \$600 million of taxable fixed rate bonds.

The second transaction was a new money sale of \$1.35 billion of TFA FTS bonds. The TFA FTS sale included \$850 million of tax-exempt fixed rate bonds and \$500 million of taxable fixed rate bonds.

Table 9. GO and TFA FTS Bond Issuance, 1Q20

(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed	TE Variable	Total Par
8/13/2019	GO 2020 Series A	New Money	\$800	\$600	\$0	\$1,400
8/15/2019	TFA FTS 2020 Series A	New Money	\$850	\$500	\$0	\$1,350

The table excludes conversions and re-offerings.

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Published by the NYC Comptroller's Office, Bureau of Budget
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